Company Registration Number : 3266637

MMO UK LIMITED

Report and Financial Statements

31 December 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR
G P Nash

SECRETARY
I Wilson

REGISTERED OFFICE
Site A
Kingmoor Park South Industrial Estate
Queens Drive
Carlisle CA6 4SB

AUDITOR
KPMG LLP
191 West George Street
Glasgow
G2 2LJ

The director presents the annual report and the audited financial statements for the year ended 31 December 2015.

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The company's principal activity was to act as a corporate name at Lloyd's. The company's final year of underwriting was the 2000 account. The company does not intend to underwrite going forward.

RESULTS

The company made a loss for the year of £894,000 (2014: loss of £828,000) due principally to the ongoing accrual of loan interest. As the company has no distributable reserves the director does not recommend the payment of a dividend (2014: £nil).

BUSINESS REVIEW

During 2005 syndicate 1265 was reinsured to close into syndicate 1861, managed by Marlborough Underwriting Agency Limited, with effect from 31 December 2004. As a result of significant underwriting losses, the company has drawn on the Lloyd's Central Fund to meet its liabilities to policyholders. The director considers the company is no longer a going concern; accordingly the financial statements have been drawn up on a discontinuance basis. The effect of this is explained in note 1 to the financial statements.

Approved by the Board of Directors and signed on behalf of the Board

GP Nash
September 2016

DIRECTOR'S REPORT

DIRECTOR

The director who held office during the year was as follows:

G P Nash

FINANCIAL INSTRUMENTS

The company does not enter into complex financial instruments.

CHARITABLE DONATIONS

During the year the company did not make any charitable donations (2014: £nil).

DISCLOSURE OF INFORMATION TO AUDITOR

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the Board

GP Nash
26 September 2016

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMO UK LIMITED

We have audited the financial statements of MMO UK Limited for the year ended 31 December 2015 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.* The financial statements have not been prepared on the going concern basis for the reasons set out in note 1 to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Philip Charles (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2 LJ

30 September 2016

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Interest payable	2	(894)	(828)
Loss on ordinary activities before tax	3	(894)	(828)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		**(894)**	**(828)**

Other Comprehensive Income

There is no other comprehensive income, other than the loss shown above.

All activities for the current and preceding financial year derive from discontinued operations.

The notes on pages 8 to 10 form part of these financial statements.

BALANCE SHEET
At 31 December 2015

	Notes	2015 £'000	2014 £'000
ASSETS			
Other assets			
Cash at bank and at hand		-	1
		-	**1**
LIABILITIES AND EQUITY SHAREHOLDERS' DEFICIT			
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account		(28,958)	(28,064)
Equity shareholders' deficit		(28,958)	(28,064)
Creditors: amounts falling due within one year	7	28,958	28,065
Total liabilities and deficit on equity shareholders' funds		-	1

The notes on pages 8 to 10 form part of these financial statements.

The financial statements were approved by the Board of Directors on 26 September 2016.

Signed on behalf of the Board of Directors

GP Nash
Director

Company Registration Number: 3266637

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2014	-	(27,236)	(27,236)
Total comprehensive income for the period			
Loss	-	(828)	(828)
Balance at 31 December 2014	-	(28,064)	(28,064)

	Called up share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2015	-	**(28,064)**	**(28,064)**
Total comprehensive income for the period			
Loss	-	**(894)**	**(894)**
Balance at 31 December 2015	-	**(28,958)**	**(28,958)**

1 Accounting policies

MMO UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The transition to FRS 102 has not affected the reported financial position or the financial performance of the company since the transition date.

The financial statements have been prepared on a discontinuance basis reflecting a deficit arising from the underwriting obligations to the syndicates in which the company participated, the fact the company's final year of underwriting was the 2000 accounts and that the company does not intend to underwrite and/or otherwise trade in the future. Underwriting liabilities are normally financed by assets lodged with Lloyd's, and letters of credit provided by investing shareholders if a company cannot meet its obligations by other means. All available letters of credit were fully utilised as at 31 December 2004 and the company was reliant on the Lloyd's Central Fund to meet its liabilities to policyholders. Accordingly the financial statements have been prepared on a discontinuance basis. The impact of this is that all assets have been valued at their recoverable amounts. This has not had any financial impact on the financial statements of the company.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemption available under FRS 102 in respect of the following disclosure:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation.

In the opinion of the director, there are no aspects of the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

1.1 Measurement conversion

The financial statements are prepared on the historical cost basis.

1.2 Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred.
Deferred tax, without discounting, is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

2 Interest payable

	2015 £'000	2014 £'000
Interest payable on amounts due to Lloyd's	894	828

3 Expenses and auditor's remuneration

	2015 £'000	2014 £'000
Included in operating loss are the following:		
Auditor's Remuneration: Audit of these financial statements	4	4

The audit fees for both the current and prior year were borne by the shareholders of the company.

4 Employees

There were no employees, other than the director and consequently no staff costs were incurred other than director's remuneration during the current or previous year.

5 Director's remuneration

The director received remuneration of £6,000 in respect of his services to the company during the current year (2014: £6,000). This expense was borne by the shareholders of the company.

6 Total tax expense recognised in the profit and loss account

	2015 £'000	2014 £'000
a) Analysis of charge in period		
Tax on loss on ordinary activities	-	-
b) Reconciliation of effective tax rate		
Loss for the year	(894)	(828)
Total tax credit	-	-
Loss before taxation	(894)	(828)
Tax using the UK corporation tax rate of 20.25% (2014 21.5%)	(181)	(178)
Current year losses for which no deferred tax asset was recognised	181	178
Total tax credit included in profit or loss	-	-

Factors that may affect future current and total tax charges

A deferred tax asset amounting to £3.3m (2014: £3.3m) in respect of unutilised trading losses carried forward of £16.7m has not been recognised due to uncertainty over sufficient taxable profits arising in the foreseeable future.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

7 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Due to former parent undertaking	17,195	17,196
Due to Lloyd's	11,729	10,835
Due to shareholders	28	28
Other creditors and accruals	6	6
	28,958	28,065

Amounts due to the former parent undertaking are not interest bearing and are repayable on demand. Amounts due to Lloyd's are subject to annual interest at 8% on unpaid cash calls.

8 Capital and reserves

Share capital

	2015 £	2014 £
Called up, allotted and fully paid 2 Ordinary £1 shares	2	2

9 Contingent liabilities

Where a company participates in a syndicate which closes, it pays a reinsurance to close premium to other Lloyd's Names or an insurer external to Lloyd's to assume its ongoing liabilities. The nature of this arrangement is that of reinsurance, such that the company retains liability in the event of failure of these Lloyd's Names and the Lloyd's chain of security or any external insurer. The directors consider the likelihood of such failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle liabilities outstanding at the closure of an underwriting account.

10 Related parties

At the year end £13,000 (2014: £13,000) and £15,000 (2014: £15,000) were due to EWM (Topco) Limited and Robertson Group Limited respectively. These entities are related parties of the company by virtue of common control.

11 Controlling parties

The controlling parties are The Edinburgh Woollen Mill (Group) Limited and Robertson Group Limited by virtue of their interests in the company's equity capital.

The accounts of these companies are available to the public and can be obtained from:

Robertson Group Limited
Lomond Court
Castle Business Park
Stirling
FK9 4TU

The Edinburgh Woollen Mill (Group) Limited
Waverley Mills
Langholm
Dumfriesshire
DG13 0EB